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UNCLAS SECTION 01 OF 02 MONTREAL 000543

SIPDIS

FROM USMISSION ICAO

DEPT FOR IO/T, EB/TRA/OTP/AVP
DOT FOR OFFICE OF INTERNATIONAL AVIATION
FAA FOR AIA-100

E.O. 12958: N/A
TAGS: [EAIR](#) [ATRN](#) [ICAO](#)
SUBJECT: MEETING OF MALIAT PARTIES AT ICAO

THIS IS A CORRECTED VERSION OF MONTREAL 463 (NOTAL) ADDING INFO ADDRESSEES THAT WOULD BENEFIT FROM THE CABEL AS BACKGROUND.

¶11. SUMMARY: AT A BRIEF LUNCHTIME MEETING ON THE SIDES OF THE ICAO 5TH WORLDWIDE AIR TRANSPORT CONFERENCE, REPRESENTATIVES OF THE MULTILATERAL AGREEMENT ON LIBERALIZATION OF INTERNATIONAL AIR TRANSPORT (MALIAT) MEMBER COUNTRIES MET TO DISCUSS WAYS TO INCREASE THE AGREEMENT'S MEMBERSHIP. CURRENT PROSPECTS ARE SLIM, THE GROUP AGREED, WITH TONGA THE ONLY LIKELY CANDIDATE. PURSUIT, THEREFORE, OF A CARGO-ONLY ACCESSION OPTION WAS AGREED TO BE DESIRABLE, AND THE U.S. COMMITTED TO PROVIDE TO THE PARTNER COUNTRIES TEXT OF AN AMENDMENT TO THE MALIAT THAT WOULD ALLOW SUCH ACCESSION. IN DISCUSSION OF TRANSITIONAL ARRANGEMENTS, PARTIES AGREED THAT SUCH ARRANGEMENTS SHOULD BE OF LIMITED DURATION LEADING TO FULL MEMBERSHIP, AND ARE MOST PRACTICALLY PURSUED ON AN AD HOC, BILATERAL BASIS. END SUMMARY.

CURRENT PROSPECTS FEW

¶12. AT A MEETING HELD ON THE SIDELINES OF THE INTERNATIONAL CIVIL AVIATION ORGANIZATION'S (ICAO) 5TH WORLDWIDE AIR TRANSPORT CONFERENCE IN MONTREAL, THE MEMBERS OF THE MULTILATERAL AGREEMENT ON LIBERALIZATION OF INTERNATIONAL AIR TRANSPORT (MALIAT) REVIEWED THEIR OUTREACH TO VARIOUS POTENTIAL CANDIDATES FOR ACCESSION TO THE MALIAT. SOME CANDIDATES - U.A.E., OMAN, SRI LANKA, THE COOK ISLANDS, AND TONGA WERE MENTIONED - BUT OF THIS GROUP, IT APPEARED THAT ONLY TONGA HAD EXPRESSED SERIOUS INTEREST. NOTE: IN A SEPARATE DISCUSSION WITH THE U.S. HEAD OF DELEGATION, THE CHIEF REPRESENTATIVE FROM TONGA, WHO WAS ALSO THE CHAIRMAN OF THE ICAO MEETING, INDICATED THAT HIS COUNTRY WOULD BE TAKING A SERIOUS LOOK AT MALIAT MEMBERSHIP. END NOTE.

¶13. AS THE GROUP BRAINSTORMED, CONSIDERATION WAS GIVEN TO POTENTIAL CANDIDATES IN CENTRAL AMERICA. PERU AND CHILE, HOWEVER, NOTED THAT THEY HAVE FEW OPEN SKIES AGREEMENTS IN THIS REGION AND THAT MOST CENTRAL AMERICAN NATIONS ARE AFRAID OF THEIR NEIGHBORS TO THE SOUTH, PARTICULARLY CHILE. THEY ARE THEREFORE UNLIKELY TO GIVE SERIOUS CONSIDERATION TO MALIAT ACCESSION.

CARGO-ONLY PROSPECTS MORE PROMISING

¶14. THE LIST OF POTENTIAL CANDIDATES GREW LONGER WHEN DISCUSSION OF A CARGO-ONLY ACCESSION WAS RAISED. ALL MEMBERS SUPPORTED IN PRINCIPLE THE CONCEPT OF AMENDING THE MALIAT TO ALLOW SUCH ACCESSION, AND ALL EXPRESSED INTEREST IN REVIEWING AMENDMENT LANGUAGE PROMISED BY THE UNITED STATES. THE U.S. EXPLAINED THAT THE USG INTERNALLY HAD BEEN WRESTLING WITH WHETHER TO INCLUDE BELLY CARGO IN THE AMENDMENT, AND HAD FINALLY DECIDED TO DO SO. THERE WAS SOME DISCUSSION OF THE RELATIVE MERITS OF THIS APPROACH, AND ALSO OF THE IMPORTANCE OF MAKING CLEAR HOW A CARGO-ONLY MALIAT WOULD APPLY IN PARALLEL TO PASSENGER BILATERALS, BUT MOST WISHED TO RESERVE COMMENT UNTIL SEEING THE U.S. DRAFT.

¶15. THE CANDIDATES FOR FULL ACCESSION LISTED ABOVE WERE VIEWED AS MORE LIKELY CANDIDATES FOR A CARGO-ONLY ACCESSION. OTHER POTENTIAL CANDIDATES INCLUDED PAKISTAN, WITH WHOM THE U.S. HAS OPEN SKIES, THAILAND, WHICH HAS EXPRESSED INTEREST IN ESTABLISHING A REGIONAL CARGO HUB, AND AUSTRALIA, WHICH HAS NO SIGNIFICANT CARGO CARRIERS OF ITS OWN AND WITH WHOM MOST MALIAT MEMBERS ALREADY HAVE CARGO OPEN SKIES. IN ADDITION, CHILE AND PERU NOTED THAT THEY BOTH HAVE OPEN CARGO AGREEMENTS WITH ARGENTINA, AS DOES THE UNITED STATES. TAIWAN, DUE TO ITS UNIQUE POLITICAL STATUS, WAS ALSO MENTIONED AS A POTENTIAL CANDIDATE.

¶16. IT WAS ALSO CONCLUDED THAT BEFORE A FINAL APPROVAL OF ANY CARGO-ONLY AMENDMENT, THAT AMENDMENT SHOULD BE SHARED WITH POTENTIAL PARTNERS TO ENSURE THAT IT MIGHT BE ATTRACTIVE TO THEM. SOME MEMBERS EXPRESSED A DISINCLINATION TO AMEND THE MALIAT WITHOUT THE HIGH PROBABILITY OF AN ACCESSION CANDIDATE.

TRANSITIONAL AGREEMENTS

17. IT WAS GENERALLY AGREED THAT ANY TRANSITIONAL MEASURES SHOULD BE JUST THAT - LEADING ULTIMATELY TO FULL MEMBERSHIP - AND THAT THERE SHOULD BE NO PERMANENT "LEVELS" OR "CATEGORIES" OF MEMBERSHIP WITHIN THE MALIAT (OTHER THAN THE CARGO-ONLY OPTION DISCUSSED ABOVE). FOR THAT REASON, IT WAS LARGELY FELT THAT TRANSITIONAL ARRANGEMENTS SHOULD BE ON AN AD HOC, BILATERAL BASIS WHERE THE SPECIFIC CONCERNS OF A POTENTIAL ENTRANT COULD BE ADDRESSED.

PERU AND CHILE

18. THERE WAS NO DISCUSSION OF THE CURRENT THREAT BY PERU TO WITHDRAW FROM THE MALIAT. BOTH DELEGATIONS WERE RELATIVELY SILENT DURING THE MEETING, ALTHOUGH CHILE'S REMARKS ON THE UNDESIRABILITY OF TRANSITIONS SEEMED AIMED AT THEIR PERUVIAN COUNTERPARTS. DURING THE CONFERENCE, U.S. DELEGATION MEMBERS SPOKE SEPARATELY WITH PERU AND CHILE ABOUT THEIR RELATIONSHIP IN THE MALIAT, AND BOTH EXPRESSED THE HOPE THAT THE U.S. WOULD INVOLVE ITSELF IN HELPING THEM TO RESOLVE THEIR DIFFERENCES. FOR ITS SIDE, CHILE WAS CONCERNED THAT ANY SEPARATE, TRANSITIONAL AGREEMENT WITH PERU BE OPEN TO THE SCRUTINY OF OTHER MALIAT MEMBERS, SO THAT PERU FEELS GREATER PRESSURE TO MAKE THE EVENTUAL TRANSITION TO FULL MEMBERSHIP. PERU FOR ITS PART EXPRESSED SOME CONCERN ABOUT WHETHER THE APPROVAL OF OTHER MALIAT MEMBERS WAS REQUIRED BEFORE ANY AD HOC BILATERAL AGREEMENTS COULD HAVE FORCE. IN BOTH CASES, U.S. DELEGATION MEMBERS MADE CLEAR THAT, WHILE THE U.S. WAS HAPPY TO OFFER ASSISTANCE, ANY SOLUTION LIES WITH PERU AND CHILE TO RESOLVE BILATERALLY.

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